

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Vermontville Township	County Eaton
Audit Date 3/31/06	Opinion Date 7/27/06	Date Accountant Report Submitted to State: 9/29/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

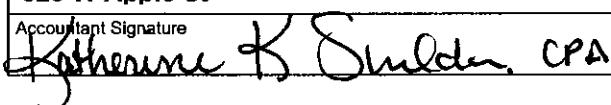
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Walker, Fluke & Sheldon, PLC			
Street Address 525 W Apple St		City Hastings	State MI
		ZIP 49058	
Accountant Signature 			Date 9/29/06



WALKER, FLUKE & SHELDON, PLC
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July 27, 2006

To the Township Board
Vermontville Township
Eaton County, Michigan

We have recently completed an audit of the financial statements of Vermontville Township, Eaton County, Michigan for the year ended March 31, 2006. During the course of the audit, the following items came to our attention, which requires further comment.

Budgeting

P.A. 621 of 1978, Section 17, provides that a local unit should amend the expenditures budget when it appears that the budgeted revenues will be less than anticipated expenditures. In addition, Section 18 provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2006, the Township over expended in several areas. The Township currently monitors the general and library fund budgets and makes amendments periodically. It was also noted the township does not budget for the cemetery activity in the general fund.

It is our recommendation that expenditures be compared in relation to amounts appropriated on a monthly basis for the General and all Special Revenue Funds. If it is apparent that there will be a budget violation, the Township should amend the budget by indicating the dollar amounts and appropriations to be affected. Consideration should be taken at year-end for any known audit adjustments that may arise.

Interest Income Record Keeping

During the course of the audit, it was noted that interest income on certificates of deposit was not being recorded when earned.

According to generally accepted accounting principles, the general and special revenue funds of governmental units use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means, collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Since the interest earned on certificates is periodically credited to the account, the interest being credited meets the measurable and available test for revenue recognition and must be recorded by the Township.

It is our recommendation that the Township record interest income from certificates of deposit when it is credited to the account. The treasurer should request quarterly print outs for each certificate of deposit from the corresponding bank if statements are not already provided. The amount of interest credited to the account since the prior inquiry should be receipted and given to the clerk for posting in the general ledger. This documentation should be kept to support the entries and filed in an organized manner that is easily accessible. In addition, the clerk should reconcile the bank balance to the adjusted general ledger balance. Any discrepancies should be investigated and corrected in a timely manner.

Cemetery Activity

During the course of the audit, we spent a significant amount of time balancing and posting the cemetery activity to the Township general ledger. This additional work is outside the normal procedures required by an audit and is costly to the Township. This is a repeat comment from prior years.

Although the cemetery records are maintained independently of the Township, they are an integral part of the Township and the Township has oversight responsibility. All expenditures should be submitted to the Township for approval and the activity should be recorded in the Township general ledger.

It is recommended that the cemetery activity be presented to the Township board for approval on a monthly basis. The activity would then be recorded in the Township receipts and disbursements journals a monthly basis and posted to the general ledger as part of the general fund.

Payroll

During the course of the audit, it was noted that certain payments to the cemetery sexton, treasurer, board of review, planning commission and zoning board of appeals are being treated as both wages and contract services.

According to the Internal Revenue Service, people who perform services that the Township can control what will be done and how it will be done is generally an employee. If the Township provides the necessary tools or supplies, dictates the time and place of the work to be performed or supervises the work, the Township has control and there is an employer/employee relationship. In addition, employees are typically paid a salary or by the hour, while independent contractors are paid by the job. Typically, individuals should be treated as an employee or independent contractor, not both.

The Township should evaluate the duties of these people and determine the proper classification based on the Internal Revenue Code. Once, the proper classification has been determined the proper tax filings should be done on a quarterly or annual basis in accordance with IRS Regulations.

Disbursements

During the course of the audit, internal control weaknesses in the expenditure area were noted. Several disbursements were inconsistently posted to the general ledger and coded to incorrect general ledger accounts. This causes inaccurate interim financial statements, which may cause budgeting problems throughout the year.

We recommend that the clerk be given the opportunity to consult with outside professionals on a monthly basis for help with posting of items in question, if needed. This can save the Township in costly bookkeeping fees incurred during the audit.

We would like to take this opportunity to thank the Vermontville Township Clerk and Treasurer for the cooperation and courtesy extended to us during the audit. If you have any questions or need assistance, do not hesitate to contact us.

Walker, Fiske & Sheldahl, PLLC

VERMONTVILLE TOWNSHIP FINANCIAL STATEMENTS

For the year ended March 31, 2006

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INDEPENDENT AUDITORS' REPORT

To the Township Board
Vermontville Township
Eaton County, Michigan

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vermontville Township, Michigan, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Vermontville Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Vermontville Township, Michigan, as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes, the Township adopted Governmental Accounting Standards Board Statement Number 34 during the current year. As a result, these financial statements present entirely new financial information. Governmental activities report information by individually significant fund, as well as in total on the full accrual basis of accounting.

The required supplementary information listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Vermontville Township's basic financial statements. The additional supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Vermontville Township, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hastings, Michigan
July 27, 2006

Walker, Fluke & Sheldon, PLC

VERMONTVILLE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2006

Primary Government

	Governmental	
	Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 44,464	\$ 44,464
Investments	175,229	175,229
Receivables (Net)		
Taxes	10,161	10,161
Due From State	14,908	14,908
Due From Other Funds	117,999	117,999
Restricted Assets	188,708	188,708
Capital Assets (Net of Accumulated Depreciation)	223,418	223,418
 Total Assets	 <u>774,887</u>	 <u>774,887</u>
 LIABILITIES		
Accounts Payable	2,740	2,740
Other Accrued Liabilities	11,096	11,096
Due to Other Funds	36,937	36,937
 Total Liabilities	 <u>50,773</u>	 <u>50,773</u>
 NET ASSETS		
Net Assets		
Invested in Capital Assets, Net of Related Debt	223,418	223,418
Reserved for Library	61,929	61,929
Reserved for Fire	129,304	129,304
Unrestricted	309,463	309,463
 Total Net Assets	 <u>\$ 724,114</u>	 <u>\$ 724,114</u>

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
March 31, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Total
Primary Government						
Governmental Activities						
Legislative	\$ 9,896	\$ -	\$ -	\$ -	\$ (9,896)	\$ (9,896)
General Government	68,274	58,986	-	7,500	(1,788)	(1,788)
Public Safety	75,008	19,891	-	-	(55,117)	(55,117)
Public Works	37,221	-	-	-	(37,221)	(37,221)
Health and Welfare	50,116	428	-	-	(49,688)	(49,688)
Recreation and Cultural	55,441	-	3,054	-	(52,387)	(52,387)
Other	22,077	-	-	-	(22,077)	(22,077)
Total Governmental Activities	<u>318,033</u>	<u>79,305</u>	<u>3,054</u>	<u>7,500</u>	<u>(228,174)</u>	<u>(228,174)</u>
Total Primary Government	<u>\$ 318,033</u>	<u>\$ 79,305</u>	<u>\$ 3,054</u>	<u>\$ 7,500</u>	<u>(228,174)</u>	<u>(228,174)</u>
General Revenues						
Taxes and Penalties					114,612	114,612
State Grants					92,986	92,986
Contributions from Local Units					1,000	1,000
Fines and Forfeits					16,100	16,100
Interest and Rentals					17,502	17,502
Other Revenue					12,698	12,698
Total General Revenue					<u>254,898</u>	<u>254,898</u>
Gain from Disposal of Capital Assets					<u>312</u>	<u>312</u>
Change in Net Assets					27,036	27,036
Net Assets-Beginning					<u>697,078</u>	<u>697,078</u>
Net Assets-Ending					<u>\$ 724,114</u>	<u>\$ 724,114</u>

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2006

		Fire	Library	Total
	General	Fund	Fund	Governmental
ASSETS				Funds
Cash and Cash Equivalents	\$ 44,464	\$ 19,330	\$ 41,710	\$ 105,504
Investments	175,229	104,941	22,727	302,897
Receivables (Net)				
Taxes	4,115	3,454	2,592	10,161
Due From State	14,908	-	-	14,908
Due From Other Funds	82,803	35,196	-	117,999
Total Assets	\$ 321,519	\$ 162,921	\$ 67,029	\$ 551,469
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 2,183	\$ -	\$ 557	\$ 2,740
Other Accrued Liabilities	9,873	297	926	11,096
Deferred Revenue	4,115	3,454	2,592	10,161
Due to Other Funds	-	33,320	3,617	36,937
Total Liabilities	16,171	37,071	7,692	60,934
Fund Balances				
Unreserved-Undesignated	255,475	125,850	59,337	440,662
Reserved	-	-	-	-
Designated	49,873	-	-	49,873
Total Fund Balances	305,348	125,850	59,337	490,535
Total Liabilities and Fund Balance	\$ 321,519	\$ 162,921	\$ 67,029	\$ 551,469

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
March 31, 2006

Governmental Fund Balance - March 31, 2006	\$ 490,535
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Capital assets used in governmental activities are not financial resources and therefore
are not reported in the governmental funds

Governmental capital assets	\$ 676,742	
Less: Accumulated depreciation	<u>(453,324)</u>	223,418

Deferred revenues reported in governmental funds are recognized as revenues in the governmental activities	<u>10,161</u>
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Net Assets of Governmental Activities	<u>\$ 724,114</u>
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VERMONTVILLE TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended March 31, 2006

	<u>General</u>	<u>Fire Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes and Penalties	\$ 46,216	\$ 38,079	\$ 28,447	\$ 112,742
State Grants	100,486	-	3,054	103,540
Contributions from Local Units	-	-	1,000	1,000
Fines and Forfeits	-	-	16,100	16,100
Charges for Services	60,746	18,131	428	79,305
Interest and Rentals	8,510	3,923	5,069	17,502
Other Revenue	<u>10,065</u>	<u>-</u>	<u>2,633</u>	<u>12,698</u>
Total Revenues	<u>226,023</u>	<u>60,133</u>	<u>56,731</u>	<u>342,887</u>
Expenditures				
Legislative	9,896	-	-	9,896
General Government	59,234	-	-	59,234
Public Safety	16,920	44,668	-	61,588
Public Works	37,221	-	-	37,221
Health and Welfare	48,136	-	-	48,136
Recreation and Cultural	-	-	52,076	52,076
Other	22,077	-	-	22,077
Capital Outlay	19,302	-	2,351	21,653
Debt Service				
Principal	<u>29,867</u>	<u>-</u>	<u>-</u>	<u>29,867</u>
Total Expenditures	<u>242,653</u>	<u>44,668</u>	<u>54,427</u>	<u>341,748</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,630)</u>	<u>15,465</u>	<u>2,304</u>	<u>1,139</u>
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	<u>5,200</u>	<u>-</u>	<u>-</u>	<u>5,200</u>
Total Other Financing Sources (Uses)	<u>5,200</u>	<u>-</u>	<u>-</u>	<u>5,200</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(11,430)	15,465	2,304	6,339
Fund Balance-April 1, 2005-Restated	<u>316,778</u>	<u>110,385</u>	<u>57,033</u>	<u>484,196</u>
Fund Balance-March 31, 2006	<u>\$ 305,348</u>	<u>\$ 125,850</u>	<u>\$ 59,337</u>	<u>\$ 490,535</u>

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
March 31, 2006

Net Change in Fund Balances - Total Governmental Funds	\$	6,339
Net changes in revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		1,870
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces debt)		29,867
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives		
Expenditures for capital assets	\$	21,653
Less: Current year depreciation		27,805
Less: Proceeds from Disposal of Capital Assets		5,200
Add: Gain from Disposal of Capital Assets		<u>312</u>
		<u>(11,040)</u>
Change in Net Assets of Governmental Funds	\$	<u>27,036</u>

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF NET ASSETS
March 31, 2006

<u>ASSETS</u>	<u>Pension Trust</u>	<u>Current Tax Collection</u>
Cash	\$ -	\$ 81,062
Investments-at Fair Value:		
Other Investments	<u>37,819</u>	<u>-</u>
Total Assets	<u>37,819</u>	<u>81,062</u>
<u>LIABILITIES</u>		
Due to Other Funds	<u>-</u>	<u>81,062</u>
Total Liabilities	<u>-</u>	<u>81,062</u>
<u>NET ASSETS</u>		
Held in Trust for Pension Benefits	<u>\$ 37,819</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

VERMONTVILLE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2006

	Pension Trust
Additions	
Contributions	
Employer	<u>\$ 5,823</u>
Total Contributions	5,823
Investment Income	
Interest and Dividends	<u>4,700</u>
Total Additions	<u>10,523</u>
Deductions	
Employee Withdrawals and Transfers	-
Charges	<u>300</u>
Total Deductions	<u>300</u>
Change in Net Assets	10,223
Net Assets-Beginning	<u>27,596</u>
Net Assets-Ending	<u><u>\$ 37,819</u></u>

The Notes to Financial Statements are an integral part of this statement.

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Vermontville Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Vermontville Township:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all of the Township's activities

This and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

REPORTING ENTITY

Vermontville Township is situated in at the western edge of Eaton County and encompasses the Village of Vermontville. The Township operates under an elected board of five members and provides services to residents in many areas including fire protection, ambulance services, library and general government services. Education services are provided to citizens through several local school districts, which are separate governmental entities.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(Continued)

State grants, licenses and permits, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual; therefore, they have been recognized as revenue in the current fiscal period. All other revenues are considered to be measurable only when the Township receives cash.

Taxes Receivable - The Township property tax is levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 28th. After that date, they are added to the county delinquent tax rolls.

Although the Township ad valorem tax is levied and collectible on February 1st, it is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2005 State taxable valuation of the Township totaled \$41,336,400 on which ad valorem taxes levied consisted of .8438 mills for Township operating purposes, .9354 mills for the Township's fire department and .7018 mills for the Library, raising \$34,880 for operating purposes, \$38,648 for the fire department and \$29,001 for the library.

The Township reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.
- The Fire Fund accounts for the Township's fire services. Revenues are primarily derived from property taxes and fire runs.
- The Library Fund accounts for the Township's support of Vermontville Public Library. Revenues are primarily derived from property taxes.

Additionally, the government reports the following fiduciary fund types:

- The Pension Trust Fund accounts for the activities of the retirement system, which accumulates resources for pension benefit payments to qualified employees.
- The Trust and Agency Fund accounts for the assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The tax collection fund is the Township's only Trust and Agency Fund.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 28th. After that date, they are added to the county's delinquent tax rolls.

VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)

The delinquent real property taxes of the Township are purchased by Eaton County. The County sells tax notes and the proceeds are used to pay the Township for these property taxes. These taxes have been recorded as deferred revenue for the current year since they are not available to fund expenditures of the current period.

Restricted Assets - The Township has restricted assets for library and fire services. By restricting a portion of the net assets for a specific purpose, the Township has limited the use of the funds for that specific purpose only. The Township Board cannot change the amounts restricted and cannot spend the restricted funds for any other purpose than roads and special assessments.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>General Assets</u>	
Buildings	40 years
Furniture	10 years
Equipment	7 years
Data Processing Equipment	5 years

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures. The township currently has no long-term obligations.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Designated Fund Balances - The Township has designated fund balances for the cemetery, opera house and ambulance. By designating a portion of fund balance for a specific purpose, the Township Board has established a policy that the amounts designated are to be used for a specific purpose. The Township Board can change the amounts so designated if they desire.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. This basis is consistent with accounting principles generally accepted in the United States of America. The Township Boards prepares the annual budgets prior to March 31. A Public Hearing is conducted to obtain taxpayers' comments. The budget documents present information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETED FUNDS

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2006, the Township incurred expenditures in certain budgeted funds, which were in excess of the amounts appropriated, as follows:

FUND	BUDGET APPROPRIATION	ACTUAL EXPENDITURE	BUDGET VARIANCE
General			
Legislative	\$ 8,760	\$ 9,896	\$ 1,136
General Government:			
Supervisor	7,491	7,662	171
Elections	1,048	8,133	7,085
Cemetery	-	20,596	20,596
Public Safety:			
Planning and Zoning	14,781	16,920	2,139
Other	18,000	22,077	4,077
Special Revenue			
Recreation and Cultural:			
Library	52,783	54,427	1,644

ENCUMBRANCE ACCOUNTING

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Vermontville Township

DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township has designated three banks for the deposit of Vermontville Township funds.

The Township retirement system's investments are held in trust by the investment fiduciary, Certified Pension Services. Michigan Compiled Laws, Section 38.1132, authorizes the Township retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system.

The Township's deposits and investments are in accordance with statutory authority.

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

DEPOSITS AND INVESTMENTS (Continued)

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>FIDUCIARY FUNDS</u>	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents	\$ 44,464	\$ 81,062	\$ 125,526
Investments	175,229	37,819	213,048
Restricted Assets	<u>188,708</u>	<u>-</u>	<u>188,708</u>
Total	<u>\$ 408,401</u>	<u>\$ 118,881</u>	<u>\$ 527,282</u>

The breakdown between deposits and investments is:

	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents (Checking and Savings Accounts, Certificates of Deposit)	\$ 489,463
Investment in Securities (Mutual Funds and Similar Vehicles)	37,819
Petty Cash and Cash on Hand	<u>-</u>
Total	<u>\$ 527,282</u>

At March 31, 2006, the Township had deposits with a carrying amount of \$489,463 and a bank balance of \$507,250. Of the bank balance, \$213,257 is covered by federal depository insurance, \$293,993 is uninsured and \$0 is collateralized.

VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ADJUST- MENTS</u>	<u>ENDING BALANCE</u>
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 18,627	\$ -	\$ -	\$ -	\$ 18,627
Subtotal	<u>18,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,627</u>
Capital Assets Being Depreciated					
Buildings	60,978	-	-	(12,431)	48,547
Improvements	-	-	-	49,512	49,512
Furniture	-	1,294	-	15,287	16,581
Equipment	544,577	19,302	6,775	(51,544)	505,560
Data Processing Equipment	<u>-</u>	<u>1,057</u>	<u>-</u>	<u>36,858</u>	<u>37,915</u>
Subtotal	605,555	21,653	6,775	37,682	658,115
Less Accumulated Depreciation for					
Buildings	11,453	925	-	-	12,378
Improvements	17,678	2,104	-	-	19,782
Furniture	11,394	685	-	-	12,079
Equipment	357,236	21,033	1,887	-	376,382
Data Processing Equipment	<u>29,645</u>	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>32,703</u>
Subtotal	<u>427,406</u>	<u>27,805</u>	<u>1,887</u>	<u>-</u>	<u>453,324</u>
Net Capital Assets Being Depreciated	<u>178,149</u>	<u>(6,152)</u>	<u>4,888</u>	<u>37,682</u>	<u>204,791</u>
Governmental Activities Total Capital Assets-Net of Depreciation	<u>\$ 196,776</u>	<u>\$ (6,152)</u>	<u>\$ 4,888</u>	<u>\$ 37,682</u>	<u>\$ 223,418</u>

The adjustments above reflect corrections made during the current year to adjust the carrying balances to the Township's actual physical asset listing and eliminate all assets under the Township's cost threshold of \$500 for equipment and \$1,000 for improvements.

Depreciation expense was charged to programs of the Township as follows:

Governmental Activities	
General Government	\$ 9,040
Public Safety	13,420
Health and Welfare	1,980
Recreation and Cultural	<u>3,365</u>
Total Government Activities	<u>\$ 27,805</u>

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

LONG-TERM DEBT

The following is a summary of the debt outstanding for Vermontville Township as of March 31, 2006:

	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Addition (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Note Payable-Eaton County	2019	\$ 29,867	\$ (29,867)	\$ -	\$ -
Total Governmental Activities		\$ 29,867	\$ (29,867)	\$ -	\$ -

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances is as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLES</u>	<u>FUND</u>	<u>INTERFUND PAYABLES</u>
General	\$ 82,803	Current Tax	\$ 81,062
Fire	35,196	Library	3,617
		Fire	33,320
	\$ 117,999		\$ 117,999

RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township manages its risk exposure through a combination of risk management pools and commercial insurance. The Township has insurance provided by an independent insurance company for worker's compensation. Following is a summary of the risk management pool participation.

The Township participates in the Michigan Township Participating Plan (Par Plan) for property, general liability, and employee bond coverage. The Par Plan was established in April 1985, pursuant to laws of the State of Michigan, which authorizes local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the plan is to jointly exercise powers common to each participating member to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses occurring in the operation of its members; and to defend and protect any member of the authority against liability or loss.

The Par Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to a total transfer of risk to reinsurance companies backing the Par Plan. Due to this reinsurance purchase, there is no pooling of risk between members. The plan has protected itself in the event a reinsurance becomes uncollectible by purchasing a reinsurance treaty for uncollectible reinsurance.

The Par Plan chose to adopt the forms and endorsements of conventional insurance protection and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have reinsurance above that retention amount.

The individual members are responsible for their self-retention amounts (deductibles), which vary from member to member.

At March 31, 2006, there were no claims, which exceeded insurance coverage. The Township had no significant reduction in insurance coverage from previous years.

**VERMONTVILLE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

DEFINED CONTRIBUTION PLAN

The Township contributes to a defined contribution pension plan for its eligible employees. Certified Pension Services holds the participants' accounts in individual "guaranteed accounts".

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeiture of other participants' benefits that may be allocated to such participant's account. The pension plan is available to all elected officials of the Township. Contributions by the Township vest immediately. The Township contributes to the pension plan for the employees based on the following levels of compensation:

\$ 499.99	and	less	\$ 100.00
\$ 500.00	to	999.99	\$ 200.00
\$ 1,000.00	to	1,499.99	\$ 300.00
\$ 1,500.00	to	1,999.99	\$ 400.00

The contribution increases by \$100 for each additional compensation of \$499.99 or part thereof.

During the year, the Township's required and actual contributions amounted to \$5,823, which was 20.64% of its current-year covered payroll of \$28,218. The total fiscal year payroll was \$65,239. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

PRIOR PERIOD ADJUSTMENT

Certain errors, resulting in the understatement of fund balance in the prior year, were corrected during the March 31, 2006 audit. The cumulative effect on fund balances from these errors is as follows:

	<u>GENERAL FUND</u>	<u>LIBRARY FUND</u>
Fund Balance at April 1, 2005, as previously reported	\$ 313,725	\$ 62,458
March 31, 2005 Due To/Due From between the General and Library Funds not recorded for Library share of parking lot	5,425	(5,425)
March 31, 2005 Pension Payable not recorded	<u>(2,372)</u>	<u>-</u>
Fund Balance at April 1, 2005, as restated	<u>\$ 316,778</u>	<u>\$ 57,033</u>

VERMONTVILLE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 316,778	\$ 316,778	\$ 316,778	\$ -
Resources (Inflows)				
Taxes and Penalties	43,135	43,135	46,216	3,081
State Grants	91,000	91,000	100,486	9,486
Charges for Services	38,500	38,500	60,746	22,246
Interest and Rentals	350	350	8,510	8,160
Other Revenue	<u>1,500</u>	<u>1,500</u>	<u>10,065</u>	<u>8,565</u>
Total Resources	<u>174,485</u>	<u>174,485</u>	<u>226,023</u>	<u>51,538</u>
Charges to Appropriations (Outflows)				
Legislative	19,507	8,760	9,896	(1,136)
General Government				
Supervisor	7,078	7,491	7,662	(171)
Elections	1,650	1,048	633	415
Assessor	9,605	8,620	8,620	-
Clerk	9,186	9,186	9,109	77
Board of Review	705	898	898	-
Treasurer	12,448	12,448	12,066	382
Township Hall	18,200	18,333	6,584	11,749
Cemetery	-	-	13,662	(13,662)
Public Safety				
Planning and Zoning	15,200	14,781	16,920	(2,139)
Public Works				
Highways	25,074	37,221	37,221	-
Health and Welfare				
Ambulance	49,348	49,348	48,136	1,212
Other				
Insurance, Bonds, Dues and Fringes	18,000	18,000	22,077	(4,077)
Capital Outlay	11,300	11,300	19,302	(8,002)
Debt Service				
Principal	<u>30,000</u>	<u>29,867</u>	<u>29,867</u>	<u>-</u>
Total Charges to Appropriations	<u>227,301</u>	<u>227,301</u>	<u>242,653</u>	<u>(15,352)</u>
Excess of Resources Over (Under) Appropriations	<u>(52,816)</u>	<u>(52,816)</u>	<u>(16,630)</u>	<u>36,186</u>

VERMONTVILLE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Excess of Resources and Other Sources Over (Under) Appropriations and Other Uses	<u>(52,816)</u>	<u>(52,816)</u>	<u>(11,430)</u>	<u>41,386</u>
Budgetary Fund Balance - March 31, 2006	<u>\$ 263,962</u>	<u>\$ 263,962</u>	<u>\$ 305,348</u>	<u>\$ 41,386</u>

VERMONTVILLE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - FIRE FUND
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 110,385	\$ 110,385	\$ 110,385	\$ -
Resources (Inflows)				
Taxes and Penalties	36,500	36,500	38,079	1,579
Charges for Services	19,225	19,225	18,131	(1,094)
Interest and Rentals	<u>350</u>	<u>350</u>	<u>3,923</u>	<u>3,573</u>
Total Resources	<u>56,075</u>	<u>56,075</u>	<u>60,133</u>	<u>4,058</u>
Charges to Appropriations (Outflows)				
Public Safety:				
Wages and Fringes			7,874	
Supplies			1,816	
Professional Fees			870	
Telephone			924	
Insurance and Bonds			17,719	
Repairs and Maintenance			8,416	
Uniforms			2,140	
Utilities			3,554	
Miscellaneous			<u>1,355</u>	
Total Charges to Appropriations	<u>65,700</u>	<u>65,700</u>	<u>44,668</u>	<u>21,032</u>
Excess of Resources Over (Under) Appropriations	<u>(9,625)</u>	<u>(9,625)</u>	<u>15,465</u>	<u>25,090</u>
Budgetary Fund Balance - March 31, 2006	<u>\$ 100,760</u>	<u>\$ 100,760</u>	<u>\$ 125,850</u>	<u>\$ 25,090</u>

VERMONTVILLE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 57,033	\$ 57,033	\$ 57,033	\$ -
Resources (Inflows)				
Taxes and Penalties	26,000	26,000	28,447	2,447
State Grants	3,338	3,338	3,054	(284)
Contributions from Local Units	1,500	1,500	1,000	(500)
Fines and Forfeits	14,000	14,000	16,100	2,100
Charges for Services	400	400	428	28
Interest and Rentals	3,100	3,100	5,069	1,969
Other	<u>-</u>	<u>-</u>	<u>2,633</u>	<u>2,633</u>
Total Resources	<u>48,338</u>	<u>48,338</u>	<u>56,731</u>	<u>8,393</u>
Charges to Appropriations (Outflows)				
Recreation and Cultural:				
Wages and Fringes			33,481	
Training			754	
Supplies			10,803	
Telephone			985	
Contracted Services			2,239	
Insurance			1,271	
Special Programs			703	
Miscellaneous			1,840	
Capital Outlay			<u>2,351</u>	
Total Charges to Appropriations	<u>50,036</u>	<u>52,783</u>	<u>54,427</u>	<u>(1,644)</u>
Excess of Resources Over (Under) Appropriations	<u>(1,698)</u>	<u>(4,445)</u>	<u>2,304</u>	<u>6,749</u>
Budgetary Fund Balance - March 31, 2006	<u>\$ 55,335</u>	<u>\$ 52,588</u>	<u>\$ 59,337</u>	<u>\$ 6,749</u>

VERMONTVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended March 31, 2006

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Taxes and Penalties:				
Current Property Taxes			\$ 31,756	
Delinquent Property Taxes			3,323	
Collection Fees			<u>11,137</u>	
Total Taxes and Penalties	\$ 43,135	\$ 43,135	<u>46,216</u>	\$ 3,081
State Grants:				
State Revenue Sharing:				
Sales Tax			89,693	
Other			<u>10,793</u>	
Total State Grants	91,000	91,000	<u>100,486</u>	9,486
Charges for Services:				
Ambulance Runs			48,450	
Zoning Fees			1,760	
Grave Foundations			764	
Burial Fees			6,072	
Sale of Cemetery Lots			<u>3,700</u>	
Total Charges for Services	38,500	38,500	<u>60,746</u>	22,246
Interest and Rentals:				
Interest			7,335	
Rentals			<u>1,175</u>	
Total Interest and Rentals	350	350	<u>8,510</u>	8,160
Other Revenue:				
Refunds			485	
Donations			4,215	
Metro			2,493	
Miscellaneous			<u>2,872</u>	
Total Other Revenue	<u>1,500</u>	<u>1,500</u>	<u>10,065</u>	<u>8,565</u>
Total Revenues	<u>174,485</u>	<u>174,485</u>	<u>226,023</u>	<u>51,538</u>

VERMONTVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Legislative:				
Township Board:				
Salaries			2,907	
Supplies			38	
Professional Fees			4,273	
Dues and Subscriptions			827	
Printing and Publishing			51	
Miscellaneous			<u>1,800</u>	
Total Legislative	<u>19,507</u>	<u>8,760</u>	<u>9,896</u>	<u>(1,136)</u>
General Government:				
Supervisor:				
Salary			6,978	
Miscellaneous			<u>684</u>	
Total Supervisor	7,078	7,491	<u>7,662</u>	(171)
Elections:				
Wages			80	
Supplies			153	
Contracted Services			387	
Miscellaneous			13	
Capital Outlay			<u>7,500</u>	
Total Elections	1,650	1,048	<u>8,133</u>	(7,085)
Assessor:				
Supplies			420	
Contracted Services			<u>8,200</u>	
Total Assessor	9,605	8,620	<u>8,620</u>	-
Clerk:				
Salary			8,336	
Other Wages			70	
Supplies			590	
Miscellaneous			<u>113</u>	
Total Clerk	9,186	9,186	<u>9,109</u>	77
Board of Review:				
Per Diem and Fees			705	
Printing and Publishing			139	
Miscellaneous			<u>54</u>	
Total Board of Review	705	898	<u>898</u>	-

VERMONTVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

EXPENDITURES (Continued)	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
General Government (Continued)				
Treasurer:				
Salary			9,997	
Other Wages			70	
Supplies			1,787	
Miscellaneous			212	
Total Treasurer	12,448	12,448	12,066	382
Township Hall:				
Contracted Services			1,055	
Utilities			4,647	
Repairs and Maintenance			625	
Miscellaneous			257	
Total Township Hall	18,200	18,333	6,584	11,749
Cemetery:				
Salaries			4,800	
Supplies			1,724	
Professional Fees			310	
Contracted Services			1,712	
Insurance and Bonds			1,562	
Repairs and Maintenance			1,942	
Miscellaneous			1,612	
Capital Outlay			6,934	
Total Cemetery	-	-	20,596	(20,596)
Total General Government	58,872	58,024	73,668	(15,644)
Public Safety:				
Planning and Zoning:				
Salaries			5,730	
Supplies			1,328	
Professional Fees			9,425	
Miscellaneous Expense			437	
Total Planning and Zoning	15,200	14,781	16,920	(2,139)
Total Public Safety	15,200	14,781	16,920	(2,139)
Public Works:				
Highways:				
Contracted Services			37,221	
Total Highways	25,074	37,221	37,221	-
Total Public Works	25,074	37,221	37,221	-

VERMONTVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

EXPENDITURES (Continued)	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
Health and Welfare:				
Ambulance				
Salaries			30,833	
Supplies			2,661	
Contracted Services			9,499	
Telephone			344	
Uniforms			452	
Repairs and Maintenance			1,623	
Miscellaneous			2,724	
Capital Outlay			4,868	
Total Ambulance	<u>60,648</u>	<u>60,648</u>	<u>53,004</u>	<u>7,644</u>
Total Health and Welfare	<u>60,648</u>	<u>60,648</u>	<u>53,004</u>	<u>7,644</u>
Other:				
Payroll Taxes			3,334	
Retirement			5,823	
Insurance and Bonds			12,920	
Total Other	<u>18,000</u>	<u>18,000</u>	<u>22,077</u>	<u>(4,077)</u>
Debt Service:				
Principal			29,867	
Total Debt Service	<u>30,000</u>	<u>29,867</u>	<u>29,867</u>	<u>-</u>
Total Expenditures	<u>227,301</u>	<u>227,301</u>	<u>242,653</u>	<u>(15,352)</u>
Excess of Revenues Over Expenditures	<u>(52,816)</u>	<u>(52,816)</u>	<u>(16,630)</u>	<u>36,186</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Excess of Resources and Other Sources Over (Under) Appropriations and Other Uses	<u>(52,816)</u>	<u>(52,816)</u>	<u>(11,430)</u>	<u>41,386</u>
Fund Balance-April 1, 2005-Restated	<u>316,778</u>	<u>316,778</u>	<u>316,778</u>	<u>-</u>
Fund Balance-March 31, 2006	<u>\$ 263,962</u>	<u>\$ 263,962</u>	<u>\$ 305,348</u>	<u>\$ 41,386</u>